

# INFORMATION LETTER

## NATIONAL CANNERS ASSOCIATION

Not for  
Publication

For Members  
Only

No. 1565

Washington, D. C.

December 3, 1955

### Performance of Canned Foods in A-Test Is Featured

The outstanding performance of canned foods in tin and glass containers under nuclear conditions was reported by N.C.A. President George B. Morrill, Jr., in his address December 1 before the annual convention of the Tri-State Packers Association in Philadelphia. To illustrate his comments, Mr. Morrill used the N.C.A. color slide presentation depicting canned foods before and after exposure to the atomic blast May 5 at the Nevada test site.

"The immediate objectives of the tests were satisfactorily accomplished," he said. "When heat-sterilized foods were found physically intact, they were safe for use." Mr. Morrill's remarks and the pictures he showed indicated that storage of

(Please turn to page 357)

### Report on C&TR Program

A progress report on the various phases of the current N.C.A. Consumer and Trade Relations program in the form of an illustrated tabloid newspaper entitled, *N.C.A. Reporter*, was mailed this week to the membership. Using newspaper techniques and format, the *Reporter* touches on past, current, and projected activities. The publication contains stories about the Benson-Campbell radio interview on the interrelationship of cannery and growers and features an editorial by Executive Secretary Carlos Campbell on the aims and policies of the C.&T.R. promotion. The newsmagazine report on cost-of-handling; tests under way in the Philadelphia Project and the details of the new N.C.A. Farm Youth Program are covered.

Two of the stories deal with programs planned for the 1956 Convention including the Food Editors Conference and the Independent Retail Panel. The current status, including the fact of USDA endorsement of the projected canning industry motion picture, is reported. Other items deal with the various magazine features of canned foods in recent months and others being planned for the future.

### USDA Sees Farm Costs in 1956 About the Same as 1955

USDA economists expect over-all farming costs in 1956 to average about the same as costs in 1955.

This was the forecast presented at the 33d Annual Agriculture Outlook Conference held in Washington November 28 through December 1. The USDA furnished the following information about probable farming costs next year:

Tractors, farm machinery, and some building and fencing materials will average somewhat higher next year.

Taxes on real estate and personal property are expected to be up about 5 percent.

Fertilizer costs per pound are expected to remain at about 1955 levels, with some slight decline possible. Fertilizer cost rates have been dropping since 1952.

Seed prices are much lower now than last spring. Unless seedings for conservation are greatly expanded, prices for seed may average a little lower next year.

Prices of feed also can be expected to average somewhat lower than last year, although not greatly different from current levels.

Feeder and replacement livestock are likely to cost about the same in 1956 as in 1955.

With continued relatively full em-

ployment of people in nonfarm jobs, wage rates for hired labor can be expected to move up a little again next year.

These conditions add up to the prospect of lower average prices of feed and seed in 1956, which will in large part offset higher prices for many of the industrially-produced items farmers use in their work.

General comments by USDA on cost trends and their relation to farmers' plans for use of production resources—land, labor, buildings and equipment, and industrial goods—included:

The increasing size of farms and increased use of machinery have made it possible for farmers to be more productive and have reduced labor requirements in agriculture. Depreciation costs on land and machinery have been almost equal to total expendi-

(Please turn to page 357)

### USDA Sees Gains in Farm Family Living Since 1950

A report by USDA at the 33d Annual Outlook Conference this week explains why farm families have been able to maintain their levels of living, at least through 1954, in spite of the drop in total farm income.

Since 1950, USDA reports, families on farms have made important additions to their reserves of household goods and conveniences. Approximately 70 percent of all farmers owned an automobile in 1954 as compared with 63 percent in 1950; more than 90 percent of the farms had electricity in 1954 compared with 78 percent in 1950; about half of the farm families had a telephone in 1954 as against 38 percent in 1950.

Although total farm income is lower, the number of farm families has been growing smaller, according to the USDA. Income per family from farm-

ing therefore has not declined as much as total farm income. Also, many farm families have increased their income from nonfarm employment, which does not show up in figures on total farm income.

Prices of such things as clothing, home equipment, and consumer services are expected to increase next year, but food prices are likely to remain about the same, USDA says. Overall increases in the cost of living are expected to be small.

On the other hand, increases in living costs, however small, in combination with decreasing income from farming may result in further cuts in farm family purchasing power. USDA said that this will mean reduced expenditures for living, unless farm families can continue to increase nonfarm income or save less.

### 1955 Pack of Lima Beans

The 1955 pack of canned fresh lima beans totaled 3,179,461 actual cases compared with the 1954 pack of 3,951,576 cases, according to a report by the N.C.A. Division of Statistics.

On the basis of standard cases of 24's, the 1955 pack amounted to 2,806,000 cases compared with 3,520,000 cases in 1954.

| State              | 1954           | 1955      |
|--------------------|----------------|-----------|
|                    | (actual cases) |           |
| Maryland.....      | 236,466        | 152,073   |
| Delaware.....      | 867,274        | 756,800   |
| Pa. and N. J. .... | 84,458         | 53,458    |
| Ohio.....          | 64,239         | 67,535    |
| Michigan.....      | (a)            | (a)       |
| Wisconsin.....     | 870,987        | 535,801   |
| Other states.....  | 1,829,152      | 1,613,725 |
| U. S. Total .....  | 3,951,576      | 3,179,461 |

(a) Included in other states.

### Pack of Canned Meat

The quantity of meat canned and meat products processed under federal inspection during the month of October has been reported by the Agricultural Marketing Service, USDA, at 223,050 thousand pounds, including quantities for defense.

#### Canned Meat and Meat Products Processed under Federal Inspection

##### October, 1955

|  | 3 Lbs. Under<br>& over | 3 Lbs.  | Total   |
|--|------------------------|---------|---------|
|  | (thousands of pounds)  |         |         |
| Luncheon meat.....   | 15,662                 | 19,636  | 20,298  |
| Canned ham.....  | 26,700                 | 861     | 27,561  |
| Beef hash.....   | 413                    | 8,164   | 8,577   |
| Chili con carne.....   | 1,458                  | 21,153  | 22,611  |
| Vienna sausage.....  | 311                    | 6,783   | 7,124   |
| Frankfurters and wieners<br>in brine.....                        | 3                      | 564     | 567     |
| Deviled ham.....   |                        | 822     | 822     |
| Other potted and deviled<br>meat products.....                   |                        | 3,319   | 3,319   |
| Tamales.....   | 284                    | 3,805   | 4,086   |
| Sliced, dried beef.....  | 37                     | 441     | 477     |
| Chopped beef.....  | 8                      | 2,443   | 2,451   |
| Meat stew.....   | 89                     | 10,360  | 10,386  |
| Spaghetti meat products  | 203                    | 9,401   | 9,664   |
| Tongue (not pickled)....   | 64                     | 396     | 300     |
| Vinegar pickled products   | 1,469                  | 1,853   | 3,322   |
| Sausage.....   | 40                     | 905     | 945     |
| Hamburger.....   | 648                    | 3,749   | 4,307   |
| Soups.....   | 2,062                  | 50,302  | 52,364  |
| Sausage in oil.....  | 625                    | 414     | 1,039   |
| Tripe.....   |                        | 579     | 579     |
| Brains.....  | 85                     | 334     | 419     |
| Loin and picnic.....   | 2,352                  | 81      | 2,432   |
| All other products 20%<br>or more meat.....                      | 339                    | 9,805   | 10,144  |
| All other products less<br>than 20% meat (ex-<br>cept soup)..... | 631                    | 14,516  | 15,147  |
| Total all products.....  | 53,570                 | 104,465 | 218,038 |

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 223,050 thousand pounds.

### FDA Extends Date for Views on Prune Juice Standards

The Food and Drug Administration has extended for 30 days—until December 27—the deadline for written comments on the proposed standards for canned prune juice.

Following is the text of the FDA notice, as published in the *Federal Register* of November 26:

"On October 28, 1955, a notice of proposed rule making concerning a definition and standard of identity for canned prune juice, a water extract of dried prunes, was published in the *Federal Register* (20 F. R. 8125). Interested persons were given 30 days to submit their views in writing to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue, S. W., Washington 25, D. C.

"The Commissioner of Food and Drugs, having been requested to extend the time within which such written documents may be filed: *It is ordered*, That the time for filing written comments be extended until December 27, 1955, and that such extension shall apply to all interested persons."

### Wholesale Distributor Stocks of Canned Foods

Estimates of November 1 distributor stocks of 13 canned foods—results of the first in a series of five measurements for the 1955-56 marketing season—were released November 30 by the Bureau of the Census, U. S. Department of Commerce.

#### VEGETABLES

Distributor stocks of corn amounted to 5.3 million actual cases on November 1, an increase of 14 percent over last year. However, the total supply of canned corn was substantially reduced as cannery stocks were indicated at 7 million cases (22 percent) below last November.

A similar supply pattern was indicated for sauerkraut, with an increase at the distributor level of 18 percent more than offset by a 31 percent reduction in cannery stocks. On the other hand, distributor stocks of canned peas were down 2 percent from a year ago and cannery stocks were 8 percent larger.

#### FRUITS

Pineapple stocks in the hands of distributors totaled 2.3 million cases on November 1, an increase of 13 per-

cent over last year. The total supply also was larger than a year ago, as cannery stocks increased from 10.1 million cases last November to 12.3 million cases on November 1 this year.

Distributor stocks of applesauce, at 1.2 million cases, were up 11 percent over last year. However, the total supply was lower than a year ago, as cannery stocks indicated a reduction of 462,000 cases during this period.

Stocks of red pitted cherries amounted to 666,000 cases at the distributor level and at 2.7 million cases in the hands of cannerys on November 1, the increase in cannery stocks since last year more than offsetting the decline in distributors' stocks.

#### JUICES

Distributor stocks of the canned juices covered in the Census report totaled 3.6 million cases on November 1, an increase of 5 percent over last November. Increases in grapefruit juice (5 percent) and pineapple juice (18 percent) more than offset reductions in citrus blends (13 percent) and orange juice (4 percent). At the cannery level stocks of pineapple juice were down 7 percent from a year ago, and the three citrus juices showed more substantial reductions, varying from 43 to 62 percent.

| Commodity           | Nov. 1,<br>1954            | July 1,<br>1955 | Nov. 1,<br>1955 |
|---------------------|----------------------------|-----------------|-----------------|
|                     | (thousand of actual cases) |                 |                 |
| Vegetables:         |                            |                 |                 |
| Corn.....           | 4,554                      | 4,361           | 5,300           |
| Peas.....           | 4,157                      | 3,048           | 4,058           |
| Sauerkraut.....     | 734                        | 639             | 879             |
| Fruits:             |                            |                 |                 |
| Apples.....         | n.a.                       | 449             | 453             |
| Applesauce.....     | 1,114                      | 1,332           | 1,349           |
| RSP cherries.....   | 708                        | 335             | 666             |
| Grapefruit segments | n.a.                       | 511             | 460             |
| Pineapple.....      | 1,980                      | 2,048           | 2,290           |
| Juices:             |                            |                 |                 |
| Citrus blends.....  | 451                        | 507             | 399             |
| Grapefruit.....     | 890                        | 1,034           | 935             |
| Orange.....         | 1,001                      | 1,453           | 1,024           |
| Pineapple.....      | 905                        | 1,121           | 1,210           |
| Fish:               |                            |                 |                 |
| Maine sardines..... | n.a.                       | 235             | 354             |
| n.a.—not available. |                            |                 |                 |

### Farmers' Tax Guide

The Internal Revenue Service has issued a new *Farmers' Tax Guide*, a 64-page booklet explaining income tax regulations that apply especially to farmers and answering the more difficult tax problems facing farmers.

Copies of the booklet are available at district offices of the IRS and from county farm agents.

## Radio and TV Releases

Favorable aspects of canned foods were stressed in recent radio and television scripts issued as part of the current Consumer and Trade Relations program.

The reasons for different consumer can sizes were explained, using canned peas as an example, in a November 9 script in the "Timely Talks" series, reaching 179 broadcasters of women's programs with an estimated listening audience of 11 million.

The high retention of vitamins in canned foods was the feature of a November 17 release on the "Kitchen-Air" series, sent to 178 broadcasters who have an estimated listening audience of 12 million.

In the monthly release of television script and visual demonstration material which is part of the "Television Service" series, the convenience of canned foods in meal planning was the theme. This TV release reached 220 telecasters of women's programs in 138 cities with an estimated audience of 16,500,000.

## Performance of Canned Foods

(Concluded from page 355)

foods in basements was preferable to that in kitchen cabinets.

He pointed out that the canned foods were generally undamaged except when broken or pierced by flying missiles and such cases were in the minority. It was shown that when damage to containers did occur, it was due in most instances to failure of the building in which they were lodged and was readily discernible.

Mr. Morrill's speech dealt also with the fine showing as to high retention of nutrients disclosed by the first assays, a half-year after exposure, of the exposed canned food samples.

"Altogether, the tests of the results of an atomic explosion on canned foods in tin and glass containers have demonstrated that history repeats itself—that canned foods are a safe and protective form of food for use by armed forces or civilian populations under the new type of warfare of this day and age," he stated.

The N.C.A. Information Division prepared and issued newspaper and radio-TV releases covering highlights of Mr. Morrill's remarks to 219 Delaware, Maryland and New Jersey newspapers; 86 radio and TV stations in the three states; as well as to the can-

ning trade journals and national, state, and local wire services.

The performance of canned foods under nuclear conditions also was highlighted at the Tri-State meeting by a Federal Civil Defense exhibit consisting partly of photos and captions prepared by the N.C.A. Laboratory and Information Division along with actual exposed canned food samples.

Another feature of the Tri-State meeting was a showing of the 18-minute motion picture newsreel prepared as the first report of the cost-of-handling studies now being conducted as part of the current N.C.A. Consumer and Trade Relations program. The principal disclosures of this film are the following:

(1) Canned foods have the lowest retail handling costs of any product category.

(2) Canned foods' average gross profit margin of 16 percent is better than half the grocery products in the store.

(3) Canned foods account for about one-sixth of total store sales in leading food stores. This figure is exceeded only by groceries non-canned and by meats.

(4) Canned foods account for as much as one-fifth of retailers' total net profit dollars, exceeded only by meat and produce. Canned foods are ahead of groceries non-canned, frozen foods, dairy, bakery and non-food items.

Dr. H. L. Stier, Director of the N.C.A. Division of Statistics, also appeared on the Tri-State program. He addressed the Corn Commodity Group on the supply and demand situation for canned corn.

The supply of canned sweet corn has shifted, he said, from one of abundance, which has existed for the past two years, to a situation in which there may be shortages in certain styles and can sizes.

Dr. Charles H. Mahoney, Director of the N.C.A. Raw Products Research Bureau, was a guest speaker at the Georgia Canners Association's convention in Daytona Beach, Fla., on December 1 and 2, delivering a speech on "Raw Products Research as Related to Canned Fruits and Vegetables."

He reported on the current research at various agricultural experiment stations and in the federal government which would be of interest to Georgia canners and also discussed new trends in the production of raw products for canning.

## Indiana Canners Association

The Indiana Canners Association elected the following officers recently at the association's annual convention:

President—Arthur H. Noble, Ray Bros. & Noble Canning Co., Inc., Hobbs; vice president—Charles Shuttleworth, Shuttleworth Foods, Inc., Warren; treasurer—B. R. Nelson, Blue River Packing Co., Morristown (reelected); secretary—Warren R. Spangle, Shelbyville (reelected).

## Assn. of Pacific Fisheries

The Association of Pacific Fisheries elected the following officers recently at the association's annual convention:

President—E. E. Murray, Alaska Pacific Salmon Co., Seattle; first vice president—A. W. Brindle, Wards Cove Packing Co., Seattle; second vice president—T. F. Sandoz, Columbia River Packers Association, Inc., Astoria, Ore.; third vice president—E. E. Willkie, Pacific American Fisheries, Inc., Bellingham, Wash.; fourth vice president—A. R. Barthold, Alaska Packers Association, Seattle (reelected); secretary-treasurer—E. D. Clark, Seattle (reelected).

## Farm Costs in 1956

(Concluded from page 355)

tures for these items during the past two years.

Technological advances in use of fertilizers and pesticides have fostered increased buying of these industrially produced goods, and for most farmers they have been profitable purchases.

However, with the upward trend in farmer use of industrially produced items, the structure of total farm operating costs is becoming less flexible. At the same time, farm-produced inputs (for example, feed grown in the Corn Belt and sold to a New England dairy farmer) and, to some extent, hired labor are more variable and tend to fluctuate more with the incomes of farmers. This situation has tended to increase the financial risks involved in farming.

Specialized farming has increased the amount of goods and services that farmers buy from each other, and specialization on many individual farms has resulted in increased production and efficiency of operation.

## Supreme Court Rules on Fishery Exemption

The Supreme Court of the United States on November 14 reversed, without opinion, the decision of the 5th Circuit in *Mitchell v. Myrtle Grove Packing Company* and held that preliminary shucking and picking operations on shrimp and oyster canning line are "canning" rather than "processing" within the meaning of Section 13(a)(5) of the Fair Labor Standards Act. The effect of the decision is to deny the minimum wage exemption to most if not all preliminary processing operations on seafood in a cannery plant when a substantial portion of the seafood thus processed is destined for canning.

The 1949 Amendments to the Fair Labor Standards Act deprived fish canners of their total exemption from both wages and hours, as previously accorded by section 13(a)(5), by inserting the phrase "other than canning" in the list of operations exempt from the minimum wage by that Section, and by setting up a separate overtime exemption for fish canning operations in Section 13(b)(4). The Court of Appeals of the 5th Circuit and the Court of Appeals of the 4th Circuit have disagreed in separate decisions as to whether or not the effect of this amendment was to remove preliminary processing and handling operations in a seafood cannery plant from the scope of the minimum wage exemption.

The decision of the Supreme Court partially resolves this confusion by overruling the 5th Circuit, which had exempted the preliminary processing operations in its previously decided case of *Donnelly v. Mavar Shrimp and Oyster Company*, 190 F. 2d 409 (1951), and by citing with approval the decision of the 4th Circuit in *Tobin v. Blue Channel Corp.*, 198 F. 2d 245 (1952). The latter decision relied on the continuous flow of the canning process, the intermingling of the canning and other operations, and the fact that canning was the main objective of the operation as grounds for denying the minimum wage exemption to all of the preliminary processing operations.

Legal questions still remain as to the extent to which the canning operation must predominate in the over-all operation and whether total segregation of the fresh and frozen lines must be achieved before the Supreme Court decision controls.

## Invitations for Bids

**Quartermaster Market Centers:** 226 W. Jackson Blvd., Chicago 6, Ill.; 1321 Pendleton St., Columbia, S. C.; Felix at Hemphill St., Fort Worth, Tex.; 633 Hardisty Ave., Kansas City, Mo.; 1204 Santos St., Los Angeles, Calif.; Port of Embarkation, Unit 3, New Orleans, La.; 29th St. and 8d Ave., Brooklyn, N. Y.; 2185 Webster St., Alameda, Calif.; 1709 Kelly Rd., Richmond, Va.; P. O. Box 3225, Seattle, Wash.

**Veterans Administration:** General Supplies Section, Procurement Division, Supply Service, Washington 25, D. C.

The Walsh-Healey Public Contracts Act may apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

Chicago has invited bids to furnish:

**MINCERMEAT**—49,350 No. 10 cans, Fed. Spec. PP-M-351a (NIP 881). Bid opening Dec. 6.

**PUMPKIN**—4,645 dozen No. 10 cans, Fed. Spec. JJ-P-791 (NIP 885). Bid opening Dec. 27.

Columbia, S. C., has invited bids to furnish:

**ORANGE JUICE**—quantities in No. 3 cyl. cans, Fed. Spec. Z-O-68a, Grade A. Bid opening Dec. 5 under NIP 129 and Dec. 7 under NIP 150.

**GRAPEFRUIT AND ORANGE JUICE**—quantities in No. 3 cyl. cans, Fed. Spec. Z-G-691a, Grade A. Bid opening Dec. 5 under NIP 129 and Dec. 7 under NIP 150.

The Veterans Administration has invited bids to furnish the following:

**Ripe OLIVES**—10,880 cans. Bids due under Inv. S-136 by Dec. 12.

**MARASCHINO CHERRIES**—1,440 jars. Bids due under Inv. S-138 by Dec. 13.

**GRAPES JUICE**—21,684 dozen 46-oz. or 10,375 dozen No. 10 cans. Bids due under S-153 by Dec. 13.

**CORNED BEEF**—550 dozen No. 6 cans. Bids due under Inv. S-155 by Dec. 14.

**GRAPEFRUIT**—50,000 dozen No. 303 cans of grapefruit and 44,000 dozen 46-oz. cans of grapefruit juice. Bids due under Inv. S-152 by Dec. 19.

## Grapefruit Sections for USDA

The U. S. Department of Agriculture on November 28 announced that it contemplates purchasing canned grapefruit sections of the 1955-56 season pack for distribution in the National School Lunch Program.

Offers may be submitted for the sale of canned grapefruit packed in No. 3 cylinder or No. 2 cans. Delivery is required during the period January 2 through February 18, 1956.

Offers should be sent to the Fruit and Vegetable Division, Agricultural Marketing Service, USDA, Washington 25, D. C., by December 6 for acceptance by December 9.

## Chemicals in Poultry

The Food and Drug Administration has issued an order permitting the use of the antibiotic chlortetracycline as a preservative for uncooked poultry. The order establishes a tolerance of 7 ppm for residue of chlortetracycline remaining in any part of the uncooked poultry.

FDA's decision is based upon scientific evidence that cooking of poultry destroys this amount of chlortetracycline so that none is left when the meat is served.

Text of the FDA order was published in the *Federal Register* of November 30.

## TABLE OF CONTENTS

| PAGE  | PAGE |
|---|------|
| <b>Consumer and Trade Relations</b>                       |      |
| Report on C.&T.R. program .....                           | 355  |
| Radio and TV releases .....                               | 357  |
| <b>Food Regulation</b>                                    |      |
| Chemicals in poultry .....                                | 358  |
| <b>Labor</b>  |      |
| Supreme Court rules on fishery exemption .....            | 358  |
| <b>Meetings</b>   |      |
| Performance of canned foods in A-test is featured .....   | 355  |
| <b>Personnel</b>  |      |
| Indiana Canners Association .....                         | 357  |
| Association of Pacific Fisheries .....                    | 357  |
| <b>Procurement</b>  |      |
| Invitations for bids .....                                | 358  |
| Grapefruit sections for USDA .....                        | 358  |
| <b>Publications</b>                                       |      |
| Farmers' Tax Guide .....                                  | 356  |
| <b>Standards</b>  |      |
| FDA extends date for views on prune juice standards ..... | 356  |
| <b>Statistics</b>   |      |
| USDA sees farm costs in 1956 about the same as 1955 ..... | 355  |
| USDA sees gains in farm family living since 1950 .....    | 355  |
| 1955 pack of lima beans .....                             | 356  |
| Pack of canned meat .....                                 | 356  |
| Wholesale distributor stocks of canned foods .....        | 356  |